

August 2012

Lower Rio Grande Valley District

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Technical Assistance

SBDC:

UT Pan Am
Tele: 956-665-7535
www.utpa.edu/sbdc

Del Mar College
Tele: 361-698-1021
www.delmar.edu/sbdc

UTB IIC
Tele: 956-882-4119
www.utb.edu/iic

SCORE
Harlingen
956-427-8623
www.rqvscore.org

Corpus Christi
361-879-0017, x305
www.score-corpus-christi.org

Women-WBC
Tele: 956-380-2800
www.wbc-rgv.org

Veterans-VBOC
Tele: 956-665-7547
<http://ea.panam.edu/vboc>

Procurement/Contracting
Tele: 956-665-7535
www.utpa.edu/ptac
Tele: 361-698-1025
www.delmar.edu/sbdc/ptac.html

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All SBA programs and services are provided on a nondiscriminatory basis.

Lender Rankings – Fiscal Year 2012 **October 1, 2011 thru July 31, 2012**

LRGV/CCBO Top 10 Volume 7(a) Lenders

1. BBVA Compass Bank	93	\$4,132,600
2. JP Morgan Chase Bank	18	\$3,697,000
3. Lone Star National Bank	9	\$2,537,300
4. ValueBank Texas	8	\$1,661,400
5. First Community Bank - CC	6	\$ 644,200
6. Wells Fargo Bank	5	\$ 994,000
7. Elsa State Bank & Trust Co.	4	\$3,677,000
8. American Bank	4	\$ 323,400
9. Southwest Securities, FSB	1	\$ 750,000
10. Security Service FCU	1	\$ 587,800

LRGV/CCBO Top Volume CDC's

1. ACCION Texas, Inc.	5	\$1,668,000
2. Brownsville Local Development Co. Inc.	4	\$2,908,000
3. Texas Certified Development Co., Inc.	4	\$1,486,000
4. Capital Certified Development Corp.	1	\$1,066,000
5. Greater East Texas CDC	1	\$ 126,000

LRGV/CCBO Top Volume Third Party 504 Lenders

1. Lone Star National Bank	4	\$1,895,015
2. First Community Bank – San Benito	1	\$1,918,513
3. International Bank of Commerce - Brownsville	1	\$1,287,500
4. ValueBank Texas	1	\$1,265,422
5. Security Service FCU	1	\$ 763,371

Year to Date

*Loan &
Dollar
Volume:*

*169 Loans
Approved for
\$26,593,700*

SBA CAPLine Program

Featuring “Working Capital CAPLine”

Lenders take note! This is the first in a series. The different CAPLine products will be discussed in subsequent newsletters. “CAPLine” is an SBA 7(a) guaranty program to serve specific working capital needs of small businesses.

To be eligible for a Working Capital CAPLine, the applicant must qualify under standard 7(a) requirements and generate accounts receivable (not notes receivable).

Key Features include:

- Maximum line amount: \$5 million
- Regular SBA guaranty 75 – 85 percentages apply
- Maximum maturity up to 10 years.
- Can be disbursed with or without a BBC
- Extraordinary lender servicing fees permitted
- Can be processed regular 7(a) or PLP

Other details in a “Nutshell:”

Use of Proceeds:

- Working Capital CAPLine: to finance short-term working capital/operating needs.
 - Refinancing under CAPLine
 - Proceeds from a Working Capital CAPLine may refinance existing lines including same institution short-term debt. **Please refer to SOP for specific details.**

Collateral:

- Working Capital CAPLine: if the lender will disburse based on a borrowing base certificate (BBC), the lender must obtain a first lien position on the trading assets (A/R, INV, etc.), and if not disbursing based on a BBC, the lender must have a first lien position on the trading assets and ensure 1:1 collateral coverage (which may include the assignment of other business assets as well as personal assets).


Closing/Disbursement:

- Working Capital CAPLine: Lender has option of closing and disbursing based on a BBC or not.
 - If a BBC is not used, lender must follow stated underwriting, collateral and cash flow analysis standards and minimum monitoring requirements, including site visits.
 - If a BBC is used, lender must comply with revised requirements including the timing of the BBC (monthly not with each disbursement), pre-disbursement and annual field exams (rather than semi-annually), and eligible/ineligible receivables (including concentrations, which may exceed 20% with written justification in the file if certain types of accounts, otherwise requires SBA consent).
 - The level of funds control, regardless of whether a BBC is used or not, will depend on the banking relationship the lender has with the borrower.

Application:

- Non-delegated: standard 7(a) application forms submitted to the LGPC.
- Delegated: PLP lenders will use SBA Forms 1919 and 1920 (SBA Express forms) as well as their own documents, including the Lender’s Credit Memorandum rather than the standard 7(a) application forms (which are used for other PLP loans). E-tran submission for SBA approval is required.

For further detailed information on this specific subprogram of CapLine, refer to SOP 50 10 5(E) at <http://www.sba.gov/category/lender-navigation/forms-notices-sops>



SBA Harlingen office is
moving SOON to
2422 E. Tyler, Suite E
more details in Sept.
newsletter



Reminder

504 Temporary Debt Refinancing Deadline Going, Going, Gone by 9/27/12

As part of the Small Business Jobs Act of 2010, the 504 program was temporarily extended to allow refinancing of a qualified debt without a business expansion. Some of the highlights of this temporary program are as follows:

- 504 Refinance is for debt refinancing of commercial loans only.
- At least 85% of the original debt must have been used for 504 eligible costs.
- Refinance up to 90% of the current appraised property value.
- “Cash Out” permitted where there is excess equity. Funds must be used for eligible business expenses.
- Refinanced debt cannot be on existing SBA Loan or any other federally guaranteed loan.
- Debt must have been funded 2 years prior to the 504 application.
- Two or more loans may be combined and refinanced, provided 85% was for eligible 504 expenses.
- The debt loan payments must not be more than 30 days past due for last 12 months.
- Same institution debt is eligible.

This program ends on September 27, 2012. That means the process must be initiated a few weeks before. Lenders act now to take advantage of this program. If you have any questions, please do not hesitate to call Maria G. Perez, Lender Relations Specialist at (956) 427-8533 ext. 242 or by e-mail: maria.perez@sba.gov



Economic Injury Disaster Loans Now Available

Economic Injury Disaster Loans (EIDLs) – Due to drought conditions starting January 1, 2012 and continuing, SBA is authorized to accept and process applications for EIDLs in all 254 Texas counties. Loans are available to help small businesses dependent on farmers and ranchers that have suffered agricultural production losses caused by the drought and businesses directly impacted by the drought. Small, nonfarm businesses, small agricultural cooperatives, small businesses engaged in aquaculture and most private, non-profit organizations of any size may qualify.

EIDL assistance is available only to small businesses determined unable to obtain credit elsewhere. The SBA can provide up to \$2 million to help meet financial obligations and operating expenses which could have been met had the disaster not occurred. Your loan amount will be based on your actual economic injury and your company's financial needs, regardless of whether the business suffered any property damage.

EIDL assistance is available only to entities and their owners who cannot provide for their own recovery from non-government sources, as determined by the U.S. Small Business Administration (SBA).

These are the primary counties under our district that were affected: Aransas, Brooks, Cameron, Duval, Hidalgo, Jim Hogg, Jim Wells, Kenedy, Kleberg, Nueces, San Patricio, Starr, Willacy, Zapata

Deadline for filing an application under disaster declaration #13138 is March 12, 2013.

Businesses primarily engaged in farming or ranching are not eligible for SBA EIDL, but are eligible under the USDA disaster declaration. They can contact their local FSA office.

For more information, contact SBA Disaster Assistance Customer Service Center at (800) 659-2955 or online at:
disastercustomerservice@sba.gov or www.sba.gov/services/disasterassistance



SBA UPDATES

To find the latest SBA forms, notices and SOP's go to:

<http://www.sba.gov/category/lender-navigation/forms-notices-sops>

For the Maximum Allowable Fixed Rate for 7(a) loans, go to:

http://www.colsonservices.com/main/news/New%20Maximum%20Allowable%20Fixed%20Rate%20for%207_a_%20Loans.pdf